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Grace Meng
Congress of the United States
Sixth District, New York

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May 7, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street SW
Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza:

I write on behalf of small businesses in Queens affected by the novel coronavirus (COVID-19) pandemic emergency. As a representative of Queens which is at the epicenter of the epicenter of this public health crisis, I urge you both to ensure the Economic Injury Disaster Loan (EIDL) program and the Paycheck Protection Program (PPP) are supporting small businesses.

As you know, the Small Business Administration's EIDL program and PPP are critical programs to ensure small businesses stay afloat as millions of Americans shelter at home. Because of the public health emergency, small businesses' financial flows have been severely disrupted, which has created a cascading effect impeding their ability to pay utilities, rent, vendors, taxes, and their employees. Failure to save small businesses will have long-term socio-economic consequences that will likely take lifetimes to remedy.

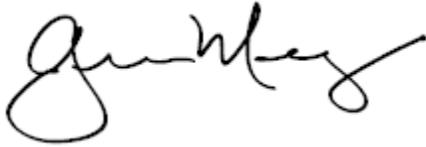
Unfortunately, both programs have struggled to keep up with the overwhelming demand from small businesses. From technical issues with accessing disaster loans to lenders' difficulties with submitting PPP loan applications to SBA – the challenges are enormous. It has also been reported that major banks have favored wealthy clientele over small businesses. Additionally, women- and minority-owned small businesses are at great risk of being shut out from receiving aid from either program because they did not qualify, did not have an existing relationship with the larger banks, or funds were depleted from both program accounts. In fact, it has been reported that at least 90 percent of businesses owned by minorities will not participate in PPP because of these issues. No doubt, you both recognize the problems small businesses are facing, and I urge you to support or take action on the following:

- Ensure the largest lenders prioritize small businesses' Paycheck Protection Program applications, not just wealthy clients.
- Ensure women- and minority-owned small businesses can participate in both loan programs.

- Provide granular data broken down by congressional district, size of business, demographics of business owner(s), type of industry, number of employees, and annual revenue on who has received an EIDL and PPP loan.
- Waive the six-month waiting period to re-apply for an Economic Injury Disaster Loan (EIDL; currently applicants denied an EIDL must wait for that period.
- Extend the 8-week period for PPP loans. Currently, small businesses must use PPP within that period to have the loan forgiven. As states determine when to lift their stay at home orders, it is unclear if business will return to normal. Extension of the loan's requirement to spend all funds within 8 weeks would benefit small businesses' financial planning.

Thank you for your attention to this matter. I look forward to your prompt responses.

Sincerely,

A handwritten signature in black ink, appearing to read "Grace Meng". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Grace Meng
Member of Congress